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UNCLAS TAIPEI 003307

SIPDIS

STATE FOR EAP/RSP/TC AND EB/IPC, STATE PASS AIT/W, USPTO
AND USTR, USTR FOR WINELAND AND WINTERS, USDOC FOR
4431/TIA/MAC/AP/OPB/TAIWAN/MBMORGAN

E.O. 12958: N/A

TAGS: [KIPR](#) [ETRD](#) [TW](#)

SUBJECT: TAIWAN CUSTOMS PLAYING NINTENDO'S GAME

REF: TAIPEI 936

1. (U) Summary: In response to a request for equipment for use by Taiwan Customs to detect shipments of counterfeit entertainment software, Nintendo North America (NA) provided 16 Nintendo game systems to be used by Customs officials at Chiang Kai-Shek (CKS) International Airport. The donated game systems covered every type of existing Nintendo game currently in production. Nintendo NA's Taiwan representative, Arthur Shay, from the Taipei law-firm EliteLaw, delivered a 60 minute training session on August 5 to approximately 20 Taiwan Customs officials. The session focused on how to use the game systems to identify counterfeit game cartridges. Officials were less interested in learning how to use the game equipment than in the proper standard operating procedures if the results of their inspections were inconclusive. Shay committed to personally inspect any product that was of dubious origin and if still uncertain to forward it to Nintendo NA for additional inspection. End Summary.

2. (U) Nintendo NA was the most vocal opponent of Taiwan's decision to abolish its Export Monitoring System (EMS) on January 1, 2005. With only one seizure in the previous three years, Taiwan's Intellectual Property Office (TIPO) believed the EMS' annual US\$1 million budget could be better spent supporting additional efforts to control internet piracy and proposed transferring the responsibility to monitor Taiwan exports of computer game software and hardware to Taiwan Customs. Nintendo NA was concerned that Taiwan Customs lacked the training and dedication to effectively prevent export or transshipment of counterfeit Nintendo products. Nintendo NA was particularly concerned that Taiwan Customs had declined to take custody of equipment used by EMS to inspect suspect counterfeit goods. For its part, Taiwan Customs officials complained that the EMS equipment was cumbersome to use and out of date. In March 2005, Nintendo agreed to provide training as needed for Taiwan Customs officials as well as 8 new hand-held testing devices. Training took place at the end of March, but the promised equipment was slow to arrive.

3. (U) After meeting with AIT Econoff at Nintendo NA headquarters in Redmond, Washington, in mid-May, Nintendo NA finally supplied 16 games systems for use by Taiwan Customs. EliteLaw partner Arthur Shay conducted a training session for approximately 20 Customs officials on August 5 at the CKS Airport Customs offices. Participants were instructed on physical and software security features of genuine Nintendo products and given demonstrations of tell-tale signs of fake products.

4. (U) Participants were less interested in the game systems than they were in establishing the proper standard operating procedure when they were unable to determine from visual inspection whether the goods in question were genuine. Shay volunteered that he or his staff would be available at any time to assist in determining whether a product was counterfeit and if unable to make a determination, would immediately forward the sample in question to Nintendo NA headquarters for verification.

5. (U) Comment: Nintendo NA's delivery of this equipment should help to improve relations between the company and officials, testify after months of Nintendo complaints about Customs efficiency and dedication, and may even help Taiwan Customs to better detect counterfeit Nintendo products. But this equipment does nothing to assist officials in determining the authenticity of partially assembled circuit boards and chip assemblies, the latest technique favored by producers of counterfeit games. Nintendo NA is aware of this new form of evading detection, but to date has no answers for those trying to counter the counterfeiters. In this game, law enforcement is still playing from behind. End Comment.
PAAL